

Steering Committee MemberOrganizations

Central Illinois
Public Service Company

Central Louisiana
Electric Company

Colorado Springs Dept.
of Utilities

Commonwealth Edison
Company

Gainesville Regional
Utilities

General Motors Corp.

Illinois Power Company

Iowa Public
Service Company

Interstate Power Company

Kansas Power &
Light Company

Louisiana Power & Light
Company/New Orleans
Public Service Inc.

Missouri Public Service

National Rural Electric
Cooperative Assn.

New England Power
Service Company

Oklahoma Gas and
Electric Company

Omaha Public Power
District

Southwestern Electric
Power Company

West Texas Utilities Company

Western Area Power
Administration

July 13, 1992

Site: Rose, Martha
ID #: MO0980633069
Track: 11.4
Other: 7-13-92

Mr. Scott Pemberton
Assistant Regional Counsel
U.S. Environmental Protection
Agency
Region VII
726 Minnesota Avenue
Kansas City, Kansas 66101

40030547
SUPERFUND RECORDS

Re: Martha C. Rose Chemicals Co., Inc. Site

Dear Mr. Pemberton:

I am writing on behalf of the members of the Rose Chemicals Steering Committee (RCSC), and the potentially responsible parties represented by the RCSC who are participating in the implementation of response actions relating to the former Martha C. Rose Chemicals Co., Inc. Site (Participating PRPs). The list of Participating PRPs has previously been provided to the United States Environmental Protection Agency (EPA) by attachment to a May 18, 1992 letter, a copy of which is attached hereto as Attachment A and made a part of this proposal.

Based on our desire to continue negotiations with the EPA and pursuant to 42 U.S.C. § 9622(e)(2)(B), the RCSC is hereby presenting this good faith proposal for implementation of remedial action at the former Martha C. Rose Chemicals Co., Inc. Site in Holden, Missouri (Site). The RCSC is committed to performing the remedial design/remedial action activities consistent with the Record of Decision (ROD) signed by the Regional Administrator of Region VII on March 6, 1992, as outlined below and in our good faith proposal. This is a substantial commitment on the part of the RCSC as the remedial action is estimated to cost approximately \$15,000,000. By presenting this good faith proposal, the RCSC does not admit any facts and expressly denies liability with respect to the Site. The RCSC does understand, however, that the acceptance by EPA of this good faith proposal will necessitate further action consistent with 40 C.F.R. 300.435(c)(2)(i).

The good faith proposal consists of the following documents, which have been provided herewith:

1. Transmittal Correspondence;
2. Red-lined draft Consent Decree (Decree); and

ROSE CHEMICALS SITE STEERING COMMITTEE
500 South 27th Street
Decatur, Illinois 62525
(217) 424-6837

Steering Committee MemberOrganizations

Central Illinois
Public Service Company

Central Louisiana
Electric Company

Colorado Springs Dept.
of Utilities

Commonwealth Edison
Company

Gainesville Regional
Utilities

General Motors Corp.

Illinois Power Company

Iowa Public
Service Company

Interstate Power Company

Kansas Power &
Light Company

Louisiana Power & Light
Company/New Orleans
Public Service Inc.

Missouri Public Service

National Rural Electric
Cooperative Assn.

New England Power
Service Company

Oklahoma Gas and
Electric Company

Omaha Public Power
District

Southwestern Electric
Power Company

West Texas Utilities Company

Western Area Power
Administration

Mr. Scott Pemberton
July 13, 1992
Page 2

3. Red-lined draft Statement of Work (SOW).

The Appendices to the Decree have not been provided with this submittal. Highlights of some of the more significant aspects of the good faith proposal are presented below.

1. The RCSC is proposing to implement all on-site activities as proposed by the EPA in the ROD. The RCSC is not proposing to implement the additional requirement that certain soils, sediment and building materials be treated prior to off-site disposal. As the RCSC understands, EPA's proposal to include incineration as a component of the remedial action is based on an interpretation by Region VII of a guidance document entitled Guidance on Remedial Actions for Superfund Sites With PCB Contamination (OSWER Directive No. 9355.4-01), published on August 15, 1990, and on a belief of Region VII that incineration or equivalent treatment is necessary to meet CERCLA's "preference for treatment." The RCSC has previously addressed the weaknesses of this position in the correspondence and the "Detailed Statement" submitted by the RCSC on August 26, 1991 as comments to EPA's June 1991 Proposed Plan for the Site. The August 26, 1991 correspondence and "Detailed Statement" are attached hereto as Attachment B and made a part of this proposal.

In short, the RCSC reiterates that neither the guidance document, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), as amended, nor the National Contingency Plan (NCP) mandates any further incineration for the remaining remedial action to be completed at this Site. CERCLA's "preference for treatment" has been satisfied through the early destruction of the principal threats at the Site and, by its very terms, the guidance document does not require further incineration. By adding the requirement of incineration or equivalent treatment without any tangible benefit, Region VII would increase the cost of further remediation, the length of time required to complete site remediation activities and increase the potential for future CERCLA liability to those who undertake the proposed remedy. The RCSC has engaged in response actions, including expeditiously abating the imminent threat posed by Site conditions by properly disposing more than 19 million pounds of PCBs and PCB-contaminated material, all at a cost of approximately \$15 million. The RCSC is only asking that Region VII allow for the

Steering Committee MemberOrganizations

Central Illinois
Public Service Company

Central Louisiana
Electric Company

Colorado Springs Dept.
of Utilities

Commonwealth Edison
Company

Gainesville Regional
Utilities

General Motors Corp.

Illinois Power Company

Iowa Public
Service Company

Interstate Power Company

Kansas Power &
Light Company

Louisiana Power & Light
Company/New Orleans
Public Service Inc.

Missouri Public Service

National Rural Electric
Cooperative Assn.

New England Power
Service Company

Oklahoma Gas and
Electric Company

Omaha Public Power
District

Southwestern Electric
Power Company

West Texas Utilities Company

Western Area Power
Administration

Mr. Scott Pemberton
July 13, 1992
Page 3

continuing cooperation of this group through accepting the most rational, cost-effective remedy consistent with all applicable laws.

2. The RCSC will not agree to reimburse EPA for any of its response costs, past or future, for a number of reasons. The first set of reasons were set forth by the RCSC in the May 18, 1992 letter to EPA. See Attachment A.

More importantly, and as repeatedly stated to EPA, the RCSC believes that EPA should participate in the remedial action at this Site rather than seeking reimbursement of its response costs, in light of the past enforcement history at this Site. The RCSC proposes two (2) methods for EPA to participate in the remedial action at this Site. First, the RCSC has deleted any agreement to reimburse EPA for response costs. EPA would be participating in the remedial action by absorbing these response costs. Second, the RCSC proposes that EPA contribute to the Clean Sites/Rose Chemical Fund (Fund). We understand that EPA can obligate \$2 million each fiscal year from the Hazardous Substance Superfund for response actions at non-NPL sites. The RCSC proposes that EPA contribute \$2 million to the Fund, each fiscal year during the performance of the remedy, and the RCSC, in return, will then reimburse from the Fund all response costs incurred by EPA during each year with respect to this Site. Any excess would be used as EPA's further contribution to the cost of remediation at this Site. The RCSC believes EPA's participation in the remedial action should be documented in the Decree, although no language is being proposed by the RCSC in this submittal.

3. The RCSC is proposing to add the State of Missouri as a party plaintiff to this action, and as a signatory party to the Decree. By adding the State as a party, the RCSC will ensure that all aspects of the implementation of the work required under the Decree have been fully presented and accepted by the State of Missouri. The RCSC understands that the State of Missouri must agree to be added, and we hope to see that accomplished. Additionally, the RCSC has proposed an option with respect to institutional controls. The RCSC is prepared, however, to consider alternatives consistent with the option proposed. To facilitate the State of Missouri's involvement, the RCSC is sending a copy of this good faith proposal to Mr. Douglas E. Nelson, Assistant Attorney General for the Missouri Attorney General, for review and consideration.

ROSE CHEMICALS SITE STEERING COMMITTEE
500 South 27th Street
Decatur, Illinois 62525
(217) 424-6837

Steering Committee MemberOrganizations

Central Illinois
Public Service Company

Central Louisiana
Electric Company

Colorado Springs Dept.
of Utilities

Commonwealth Edison
Company

Gainesville Regional
Utilities

General Motors Corp.

Illinois Power Company

Iowa Public
Service Company

Interstate Power Company

Kansas Power &
Light Company

Louisiana Power & Light
Company/New Orleans
Public Service Inc.

Missouri Public Service

National Rural Electric
Cooperative Assn.

New England Power
Service Company

Oklahoma Gas and
Electric Company

Omaha Public Power
District

Southwestern Electric
Power Company

West Texas Utilities Company

Western Area Power
Administration

Mr. Scott Pemberton
July 13, 1992
Page 4

4. The RCSC has not yet received authorization to proceed from the City of Holden. Although the RCSC's good faith proposal is offered on behalf of all settling defendants, participating PRPs and the City of Holden, the RCSC cannot represent that it has received a firm agreement from the City of Holden, nor would the RCSC desire that the EPA review this offer under the erroneous assumption that an agreement has been reached with the City. The RCSC cannot proceed without the full concurrence and agreement of the City of Holden. Furthermore, the RCSC does not know if the enclosed draft Decree is acceptable to the City of Holden. To facilitate the City of Holden's involvement, the RCSC is sending a copy of this good faith proposal to Mr. James Trimble, counsel for the City of Holden, for review and consideration.

5. As you are aware, the RCSC has established the Fund to finance the response actions taken and to be taken at this Site. The RCSC will demonstrate that there is in the Fund an amount sufficient to perform the Work pursuant to the Decree, and has therefore, deleted the financial security requirement from the Decree.

6. As mentioned above, only highlights of some of the changes made to the Decree and SOW have been discussed herein. EPA should recognize, however, that many changes, and items not changed, are interdependent. Should EPA insist on certain changes to the language proposed in this good faith proposal, the RCSC reserves the option to seek other changes in the proposal not currently reflected.

The RCSC looks forward to meeting with EPA in Kansas City, Kansas on July 30, 1992, to continue negotiations with respect to this Site. Please feel free to contact our Counsel, Sheldon A. Zabel (312-258-5540), or myself, with any questions or comments you may have in advance of that meeting.

Steering Committee MemberOrganizations

Central Illinois
Public Service Company

Central Louisiana
Electric Company

Colorado Springs Dept.
of Utilities

Commonwealth Edison
Company

Gainesville Regional
Utilities

General Motors Corp.

Illinois Power Company

Iowa Public
Service Company

Interstate Power Company

Kansas Power &
Light Company

Louisiana Power & Light
Company/New Orleans
Public Service Inc.

Missouri Public Service

National Rural Electric
Cooperative Assn.

New England Power
Service Company

Oklahoma Gas and
Electric Company

Omaha Public Power
District

Southwestern Electric
Power Company


West Texas Utilities Company

Western Area Power
Administration

Mr. Scott Pemberton
July 13, 1992
Page 5

Once again, we look forward to meeting with you on July 30,
.....1992.

Very truly yours,


Jay Pruet
Chairman, Negotiating Team
Rose Chemicals Steering
Committee
(318) 222-2141

cc: James Trimble
Douglas E. Nelson

ROSE CHEMICALS SITE STEERING COMMITTEE
500 South 27th Street
Decatur, Illinois 62525
(217) 424-6837